

To: Rhode Island Renewable Energy Fund Advisory Board  
From: Nancy Selman  
Date: September 2003  
Re: Meeting Minutes for August 12, 2003

Next meeting dates: Second Tuesday of every month. 9/9, 10/14, 11/11, 12/9.  
In attendance: See attached Attendance List.

- 1) General Business
  - a) Minutes and Update – No changes were made to the July Minutes or August Update.
  - b) PV Training for Electricians - The SEO is developing a training program for electricians at New England Tech which will be taught by Chris Warfel, a consultant to the Fund, who just received certification from NABSEP.
- 2) Budget - Janice met with the Governor's Policy Office and the Department of Administration (DOA) Budget Office to present a revised budget. Approximately \$700,000 of Fund money was spent prior to the end of FY2002. In addition to the \$2.5 million that the legislature has allocated for the Fund, the DOA Budget Office is allowing \$1.8 million in spending in FY2003 for the Fund.
- 3) Clean Energy States Alliance (CESA) Public Education Project Update – The consultants for this project, funded by RI, CT, MA, NY and PA, have completed the first phase of the agency selection process. Eight advertising agencies responded to the Request for Proposals and four agencies have been invited to advance to the next phase of the selection process. The next phase involves in-person meetings and presentations by the four selected agencies. Following the four meetings, the state funds will meet to select the advertising agency that will perform the work. The plan is to have an advertising agency under contract by early September. The important consumer research portion of this project will occur in late September and throughout October. The creative development task (for television, radio and print advertising) will take place in November and December, with the production phase to begin in January 2004 and to be completed in late February 2004.
- 4) Wind RFI – The Wind RFI subcommittee's recommendation is to have a roundtable meeting to identify the issues that are facing the applicants as well as ways to move the projects forward. All applicants who have a project that is likely to be completed in the near term will be invited. The meeting is scheduled for September 9, 2003.
- 5) Presentation by Constellation Energy – Bruce MacLeish
  - a) Constellation is nationally the largest retailer of electricity, they sell only to C&I. Constellation plans to be full service provider – green energy is part of the full service offering.

- b) The green electricity product has take a long time to develop due to market research. The definition of what is renewable power varies from state to state and among various segments of the markets. One question that has to be answered by a marketer is “Will product be approved by environmentalists? – that is, landfill gas may meet the regulations or certification requirements, but does it meet the desires of environmentalists?”
- c) Plan to offer 2 products: both Green-e certified:
  - i) 1.5 cent premium: wind, solar, hydro, landfill
  - ii) 1.0 cent premium: less if any wind, less solar if any
  - iii) Cannot duplicate products in the future for these prices: due to RPS in CT and MA, renewable energy credits (RECs) in 2004 are trading for 4 cents. The way to lower the price of the product is to use older hydro .
  - iv) Green-e requirements are for 10% new generation in 2003 and 15% in 2004 – this will make product more expensive next year.
- d) Have a product that is Maine based, that is, produced and sold in Maine. Renewables are more plentiful in Maine and this product will be 50% hydro and 50% wood burning biomass. Constellation will try to sell this in the rest of NE.
- e) A green product has been sold to company in MA – but a major product launch effort has not been made – still making sure product is ready.
- f) Marketing approach will be to ask current customers if they want to purchase - universities and schools are the primary market. In RI the sales cycle may be longer because not many customers are buying from a third party to begin with and that sales hurdle must be overcome in addition to the green premium (higher cost of green power). In spite of that – Constellation thinks the green market will be significant – some customers see a green power purchase as a fix for other PR problems.
- g) CSG partnership will not be continued.
- h) Wheeling RECs into the New England GIS system was discussed; it is expensive due to the complexity. However, given the price of RECs in 2004, the economics of wheeling from NY may be favorable.
- i) Typical power contracts have been 1-2 years up until now, currently trying to sign 2-3 year contracts which is made possible by customers who are getting tired of price volatility. Also trying to line up 10 year deals – some will be green.
- j) Constellation would like to offer “off the shelf” products – may need to abandon this product strategy and customize the blend for the customer.
- 6) NESEA Grants– The Board voted to fund 3 events and scholarships as budgeted:
  - a) Sustainability Series - \$1000
  - b) Tour of Green Buildings - \$2500
  - c) Spring Conference - \$5000
  - d) Scholarships to Spring Conference - \$3800.

- 7) Collier Submarine PV Project – The Board voted to fund \$12,000 in grants to the Air, Land and Sea Heritage Technology Park for the Collier Soviet Submarine Museum. A requirement of the grant is that solar is installed in a place that is easily visible to the public.
- 8) Warwick Public Schools – The Board approved grant funding for two projects at the Warwick Public Schools Toll Gate Complex:
  - a) Participation in the Solar on Schools program for the PV under which the school would receive one 2-kW PV system; and
  - b) 90% grant funding for a 10 kW wind turbine (estimated system cost of \$40,000). The school must incorporate the wind turbine into school curriculum in order to qualify for the 90% level of grant funding.
- 9) PP&L – Erich Stephens presented a request for start up capital as a follow-on to that granted in January 2003. The Board approved all four points of the request:
  - a) \$90,000 in a non-secured loan to be used to fund the launch of the Green-up Service product. In addition, another \$30,000 will be held in reserve by the Fund to provide for lower than expected growth conditions leading to greater capital needs in the next two years.
  - b) Commitment from the Fund of up to \$50,000 of credit support for the purchase of RECs prior to the start date of the Berkshire Project.
  - c) An exchange of RECs supported by the Massachusetts Renewable Energy Trust Fund and Rhode Island Renewable Energy Fund to allow PP&L and its new sister company, Mass Energy, to be able to offer the same product in both RI and MA.
  - d) In the event that Berkshire is not brought on-line as anticipated, the funding earmarked for this project be reallocated for buying RECs from substitute project(s) and making them available to PP&L on similar terms.

#### Decisions

- 1) NESEA will receive grant funding for 3 events totaling \$8500, and \$3800 will be allocated for scholarships to the NESEA Spring conference.
- 2) A \$12,000 grant will be provided to the Submarine museum for a PV installation.
- 3) The Warwick Public Schools Toll Gate Complex will participate in the Solar on Schools program and receive 90% funding for a 10 kW wind turbine.
- 4) PP&L will receive \$90,000 in a non-secured loan to be used to fund the launch of the Green-up Service product; \$50,000 in credit support for additional (to Berkshire) RECs purchases; an exchange of RECs purchased by the MA Fund and the RI Fund to enable PP&L/Mass Energy to offer the same product in both states; and a commitment to redirect the money intended for the purchase of RECs from the Berkshire Wind Project to other RECs purchases in the event that the Berkshire project does not reach completion.

#### Actions/Followup

- 1) Letters will be written to the Submarine project, Warwick Public Schools and PP&L informing them of the decisions of the Board.

## **Attendance**

Buck, Roger

Capobianco, Julie

Chretien, Larry (Mass Energy)

Ciminero, Gary

D'Ovidio, Christopher

Grace, Bob

Hartley, Doug

Hill, Michael

Howe, Tim

Jacobson, David

Lueker, Bill

MacLeish, Bruce (Constellation)

McClanaghan, Janice

Michaud, Richard

Rose, Vin

Selman, Nancy

Stephens, Erich

Teichert, Kurt

Vild, Bruce